



Small Business Tax Credits Accessibility Act

Senator Begich supports the new protections and support for small business provided by the *Affordable Care Act*, including a Small Business Health Care Tax Credit to help employers afford the cost of covering their workers. To make sure small businesses can compete and grow, Senator Begich believes this tax credit should be available for a longer period of time and accessible to more employers. That's why Senator Begich introduced the *Small Business Tax Credits Accessibility Act* to expand and simplify this portion of the law. He also wants to make sure tax credits are available in 2014 outside the small business exchange, since it is not yet fully functional in most states.

The *Small Business Tax Credits Accessibility Act* improves access to Small Business Health Care Tax Credits and supports more businesses by:

- ❖ Raising the maximum size of the business that is eligible to receive the tax credits from 25 employees to 50 employees;
- ❖ Extending the credit to firms with higher average wages. Instead of phasing out between \$25,000 and \$50,000, it would instead phase out between 110 percent and 220 percent of the federal poverty line for a family of four. This takes into account regional salary differences.
 - (In 2014, 110% of FPL for a family of four is \$26,235 in the 48 contiguous states, \$32,802 in Alaska, and \$30,173 in Hawaii. Thus, the credit would phase out completely at 220% of FPL or an average wage of \$52,470 in the 48 contiguous states, \$65,604 in Alaska and \$60,346 in Hawaii.);
- ❖ Increasing the threshold for a firm to receive the biggest possible credit from 10 to 20 full-time employees;
- ❖ Eliminating the requirement that employers claiming the credit contribute the same percentage of the cost of each employee's health insurance;
- ❖ Simplifying calculations by eliminating the cap that limits eligible employer contributions to average premiums in the state;
- ❖ Allowing the families of small business owners to directly benefit from the tax credits;
- ❖ Increasing the number of years for which a small business may receive the tax credit to any 3 consecutive years; and
- ❖ Extending a 35% tax credit to small businesses purchasing coverage outside the SHOP exchange in 2014, while maintaining the tax credit of 50% for coverage purchased on the SHOP exchange.